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The Brazilian Energy Matrix

According to the Ministry of Mines and Energy (MME), the domestic supply of energy in 2007 was 239.4 million metric tons petroleum equivalent (tpe), up 6 percent compared to 2006 (225.9 million tpe). Brazil remains the worldwide leader in the supply of energy from renewable sources. In 2007, this source of energy represented over 46 percent (111.1 million tpe) of total Brazilian energy supply. The supply of energy from sugarcane in 2007 represented 16 percent (38.4 million tpe) of total supply, a 17 percent increase compared to 2006. The table below shows the Brazilian energy supply, according to MME.

Brazilian Energy Supply (million TPE)				
	2006	2007	2007 (%)	2007/2006 (%)
Non-Renewable Energy	124.40	128.30	53.6%	3.1%
Petroleum and derivatives	85.50	87.90	36.7%	2.8%
Natural Gas	21.60	22.30	9.3%	3.2%
Mineral Coal and derivatives	13.60	14.80	6.2%	8.8%
Uranium (U_3O_8) and derivatives	3.70	3.30	1.4%	-10.8%
Renewable Energy	101.50	111.10	46.4%	9.5%
Hydraulic and Electric Energy	33.40	35.30	14.7%	5.7%
Log Wood and Vegetal Coal	28.60	29.90	12.5%	4.5%
Sugarcane derivatives	*32.80*	*38.40*	16.0%	17.1%
Other Renewable sources	6.70	7.50	3.1%	11.9%
Total Energy Supply	225.90	239.40	100.0%	6.0%
Source: National Energetic Balance. TPE = Ton Petroleum Equivalent.				

MME also reports that the final domestic energy consumption in 2007 was 201.2 million tpe, including 81.7 million tpe (41 percent) for industrial use and 56.9 million tpe (28 percent) for transportation. Residential use and energy transformation and/or extraction/transportation represent 11 percent each of final domestic consumption, whereas agriculture represents 5 percent of the total.

Electric Energy Matrix

Hydroelectric power remains the major source of electric energy in Brazil (85 percent of total supply in 2007, including imports). Electric energy from biomass is steadily increasing and currently represents 4 percent of total supply, an 8 percent increase compared to 2006. Sugarcane products generated 70 to 80 percent of the biomass used to generate electricity. The following table shows the electric energy supply matrix, according to MME.

Electritc Energy Supply Matrix (TWh)		
	2006	2007
Non-Renewable Energy	51.7	49.6
Natural Gas	18.3	16.0
Petroleum Derivatives	12.4	13.4
Nuclear	13.8	12.3
Mineral Coal	7.2	7.9
Renewable Energy	408.4	433.0
Hydraulic and Electric Energy	348.8	371.5
Imports	40.9	40.9
Biomass 1/	18.5	20.0
Wind	0.2	0.6
Total Energy Supply	460.1	482.6
Source: National Energetic Balance. TPE = Ton Petroleum Equivalent.		

Energy from Biomass (Sugarcane)

In addition to the cogeneration of energy to run the mill during the harvest season, currently, only 48 sugar-ethanol mills out of 405 units sell electricity from sugarcane bagass to the grid and/or other private companies. The amount of cogenerated energy represents 3 percent of the electric energy consumed in Brazil. Industry contacts forecast that by 2011, this share should increase to 6 percent through investments in larger and more efficient boilers.

With lower sugar and ethanol market prices compared to a couple of years ago, cogeneration of energy has become a business opportunity to be added to the mill's product portfolio. According to the Sugar and Alcohol Millers Association of Sao Paulo State (UNICA), the current net profit margin from cogeneration is around 15 percent.

Two major obstacles preempt the sugarcane industry sector from more quickly advancing toward additional cogeneration of energy. The cost to connect the mill to the grid is highly expensive, about R$ 480,000 per kilometer. Some mills are as far as 1000 kilometers distant from the grid.

The price of the Mega-Watt-hour (MWh) represents the second obstacle. The current average price is R$ 140 per MWh. The first government auction to purchase energy from biomass will be held on July 30th and the ceiling price is set at R$ 149/MWh. The sector argues that neither price will be sufficient to pay the high investments necessary for cogeneration.

Brazilian Ethanol Production, Supply and Demand of Ethanol (PS&D Table)

The table below shows the Brazilian Ethanol PS&D since Marketing Year (MY) 2004/05 (May-April). Figures are reported in marketing years (May-April), to be consistent with the Brazilian official sugarcane crop year and other reports already produced by post. Note that trade numbers are reported in both marketing and calendar years.

While the Agricultural Trade Office (ATO)/Sao Paulo and many other institutions continue to refer to a May-April marketing year for sugarcane, harvesting actually begins as early as mid-March in the far south and mid-April (weather permitting) in Sao Paulo state. As a result, over the past three years approximately five percent of the Center-South sugarcane crop has been crushed and entered consumption channels *prior to* the beginning of the marketing year.

One consequence is the apparent contradiction of negative ending stocks for 2006/07, 2007/08 and 2008/09. Due to the fact that part of the subsequent crop was/will be harvested and crushed prior to May 1, consumption for those years exceeded/will exceed availability from that year's crop.

Brazilian Ethanol Production, Supply and Demand (May-April, Million Liters)					
	MY 04/05	MY 05/06	MY 06/07	MY 07/08	MY 08/09
Ethanol Beginning Stocks	1,348.0	685.0	50.0	-135.0	-345.00
Ethanol Production	15,397.0	15,800.0	17,860.0	22,390.0	26,700.0
Anhydrous	8,310.0	8,020.0	8,225.0	8,070.0	8,350.0
Hidrated	7,087.0	7,780.0	9,635.0	14,320.0	18,350.0
Ethanol Imports	0.3	0.2	3.8	0.5	2.0
(Ethanol Imports - Calendar Year)	0.4	0.2	0.1	4.1	2.0
Total Ethanol Supply	16,745.3	16,485.2	17,913.8	22,255.5	26,357.0
Ethanol Domestic Demand (all uses)	13,460.3	13,835.2	14,203.8	18,970.5	22,452.0
Ethanol Exports	2,600.0	2,600.0	3,845.0	3,630.0	4,800.0
(Ethanol Exports - Calendar Year)	2,383.6	2,592.3	3,428.9	3,532.0	4,800.0
Ethanol Ending Stocks	685.0	50.0	-135.0	-345.0	-895.0
Total Utilization	16,745.3	16,485.2	17,913.8	22,255.5	26,357.0
Source: USDA/FAS/ATO/Sao Paulo. Note: Marketing Year (MY) starts in May and ends in April following year.					

Production

Sugarcane remains the sole source of feedstock for ethanol production in Brazil. The Agricultural Trade Office (ATO)/Sao Paulo projects total marketing year (MY) 2008/09 (May-April) sugarcane production at 550 million metric tons (mmt), up 12 percent relative to MY 2007/08 (491.1 mmt), as a consequence of continued area expansion in the Center-South region (CS). Please refer to BR8007 for a complete overview of sugarcane production.

The MY 2008/09 sugarcane crop is expected to continue the trend toward increasing ethanol, as opposed to sugar, production as a consequence of the limited potential to expand sugar exports and the strong demand for ethanol both in the domestic and international markets. The TRS breakdown for sugar and ethanol production is forecast at 42 : 58 percent, respectively, compared to 45.5 : 54.5 percent for MY 2007/08. The table below shows sugarcane use for ethanol production for MY 2004/05 through 2008/09.

Quantity of Feedstock Use in Ethanol Production (000 MT)					
	MY 04/05	MY 05/06	MY 06/07	MY 07/08	MY 08/09
Sugarane Production (000 MT)	385,800	386,500	428,000	491,100	550,000
Supply of Sucrose (000 MT)	55,346	55,064	62408	70540	78,780
Sucrose for Ethanol Production (000 MT)	27,618	28,347	31,516	38,444	45,692
Sugarcane converted to Alcohol (%)	49.90	51.48	50.50	54.50	58.00

Total ethanol production for MY 2008/09 is forecast at 26.7 billion liters (8.35 billion liters of anhydrous ethanol and 18.35 billion liters of hydrated ethanol), up 4.31 billion liters compared to MY 2007/08 (22.39 billion liters).

Approximately 30 new mills should start operations this season in addition to additional planted area added at existing mills. Total sugarcane area for MY 2008/09 is projected at 8.05 million hectares (ha), a 12 percent increase vis-à-vis MY 2007/08 (7.19 million ha). Total area harvested for MY 2008/09 is forecast at 7.4 million ha, up 900,000 ha from MY 2007/08 (6.5 million ha).

Foreign investment represented 56 million metric tons, or 11.5 percent of all sugarcane crushed in Brazil in MY 2007/08. The share of foreign investment in ethanol production is estimated at 10 percent (approximately 760 million liters of hydrated and 1.5 billion liters of anhydrous production). The Tereos Group represents the major foreign group in sugarcane crushing in Brazil (5 plants and over 12 mmt of sugarcane in 2007/08), followed by Louis Dreyfus (7 plants crushing 11.5 mmt of sugarcane in 2007/08).

The table below shows updated use of land in Brazil, as reported by the Ministry of Agriculture, Livestock and Supply (MAPA) and UNICA. Total arable land excludes the Amazon Forest, the wetlands of the Pantanal, and other preservation areas, in addition to areas not traditionally suitable for agriculture due to topography, soil restrictions, et cetera. Currently, sugarcane occupies only approximately 2 percent of total agricultural land. The use of agricultural feedstocks in biofuel production is not expected to have a significant impact on food and feed markets.

Arable Land in Brasil in 2007.		
	Million Hectares	%
Cutivated Land: all crops	76.7	21.6%
Soybeans	20.6	5.8%
Corn	14.0	3.9%
Sugarcane (all uses)	7.8	2.2%
Sugarcane for ethanol	3.4	1.0%
Oranges	0.9	0.3%
Pastures	172.3	48.6%
Available land	105.8	29.8%
Total Arable Land	354.8	100.0%
Total Brazil	851.0	
Source: MAPA and UNICA		

Production Cost

Industry sources estimate the current cost of producing ethanol from sugarcane at US$ 1.6/gallon at the exchange rate of R$ 1.65 to US$ 1.00. The table below shows sugarcane

production costs for 2007, as reported by FNP. Note that the production costs do not include land price. Planting costs are estimated at US$ 1,933/hectare, up 11 percent compared to 2006 while the average cost per cut is estimated at US$ 1,649/hectare, a 30 percent increase relative to the previous year, mostly due to the sharp increase in input costs, notably fertilizers.

Sugarcane Production Cost in the State of Sao Paulo, Mechanical Harvest (US$/hectare)							
	Planting	**1st Cut**	**2nd Cut**	**3rd Cut**	**4th Cut**	**5th Cut**	**Agv Cuts**
Land Depreciation	0	525	417	375	328	289	387
Seedling	442	0	0	0	0	0	0
Planting (Manual)	180	0	0	0	0	0	0
Labor (except Planting)	74	28	28	25	21	21	25
Mechanized Operations (except Harvest)	548	141	140	157	140	140	144
Inputs (Total)	509	293	293	333	293	293	301
Fertilizer and Lime	285	198	198	239	198	198	207
Herbicides	149	94	94	94	94	94	94
Pesticides	151	0	0	0	0	0	0
Mechanical Harvest	0	778	618	555	486	428	573
Head Costs	181	234	223	219	214	210	220
Total Costs (US$)	1,933	1,999	1,720	1,663	1,482	1,381	1,649
Average Yield (ton/ha)		122	97	87	77	67	90
Total Cost (US$/ton)	0	16	18	19	19	21	19
Gross Income (US$)	0	2,179	1,732	1,554	1,375	1,196	1,607
Net Income (US$/ha.ano)	0	179	13	-110	-107	-185	-42
Sugarcane Price (US$/ton) - CONSECANA São Paulo - MY 2007/08							17.86
Source: Agrianual 2008, FNP. Prices were collected in August 2007.							
ROE (R$/US$) = 1,965							

Sugarcane and Ethanol Producers' Prices

According to the State of Sao Paulo Sugarcane, Sugar and Alcohol Growers Council (CONSECANA), the average sugarcane price (April 2007-February 2008) for the state of Sao Paulo for the 2007/08 crop is Reais (R$) 0.2443 per kg of TRS, which is equivalent to R$ 35.09 per ton of sugarcane. This figure represents a 32 percent reduction compared to the previous crop (R$ 0.3465 per kg of TRS, or approximately R$ 51.93 per ton of sugarcane), due to rapidly expanding domestic supply of sugarcane, combined with weak international sugar prices. Cumulative price for MY 2008/09 (April-June) is R$ 0.2466 per kg of TRS.

The Ethanol Indexes released by the University of Sao Paulo's College of Agriculture "Luiz de Queiroz" (ESALQ) follow. The Indexes track anhydrous and hydrated prices received by producers in the domestic spot market. Note that ethanol prices have been sustained even after the beginning of the harvest season in April 2008 as a consequence of steady demand for the product both in domestic and international markets.

Fuel Alcohol Prices: State of São Paulo (R$/000 liters).										
	Anhydrous					Hydrated				
Month	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008
January	633.43	885.13	1,040.59	870.69	786.22	561.13	763.41	1,018.24	845.36	697.18
February	451.61	847.92	1,063.94	837.39	808.08	372.62	765.47	1,064.20	802.87	714.70
March	390.48	875.67	1,191.42	912.93	831.50	341.15	772.09	1,208.53	855.05	754.56
April	462.93	842.91	1,185.53	1,072.57	789.40	415.90	734.91	1,063.46	940.51	715.60
May	541.86	680.88	966.47	883.78	821.50	472.73	593.29	848.56	690.84	697.10
June	628.86	669.81	983.66	675.07	787.00	536.48	584.96	854.55	587.86	665.30
July 1/	678.64	773.32	1,036.03	668.53	814.70	580.63	672.77	898.36	583.99	713.80
August	756.54	759.74	955.43	665.58	--	653.07	657.65	819.57	581.02	--
September	774.52	843.78	878.49	660.73	--	654.32	735.72	756.09	580.96	--
October	905.57	938.00	867.02	664.44	--	766.69	820.25	758.58	585.48	--
November	978.91	928.65	858.93	792.90	--	837.73	817.91	751.59	716.09	--
December	907.16	1,053.25	849.55	851.07	--	774.33	947.24	778.07	751.28	--
Source: USP/ESALQ/CEPEA. 1/ July 2008 refers to July 4										

Consumption

The table below shows fuel consumption as reported by Datagro. ATO/Sao Paulo forecasts total domestic ethanol consumption for MY 2008/09 at 22.45 billion liters, up almost 3.5 billion liters relative to the previous MY (18.97 billion liters). Note that these figures take into account approximately 1.3 billion liters of ethanol for uses other than fuel consumption and estimated clandestine fuel ethanol sales intended to circumvent taxation. Higher demand for MY 2008/09 is a consequence of robust sales of flex fuel vehicles (FFV) and attractive ethanol prices

Brazilian Apparent Consumption of Liquid Fuels					
	2004	2005	2006	2007	2008 3/
Ethanol (m3)	12,080,296	12,612,651	12,698,954	16,204,090	8,724,776
Anhydrous	7,650,412	7,512,430	5,512,744	6,136,739	3,251,364
Hydrated	4,429,884	5,100,221	7,186,210	10,067,351	5,473,412
Gasoline "A" (m3) 1/	15,481,000	15,978,000	18,481,000	n/a	n/a
Natural Gas - light vehicles (million Nm3)	1,684	2,043	2,532	n/a	n/a
Total Consump Otto Cycle (m3) 2/	28,388,000	29,648,000	32,323,000	n/a	n/a
Diesel (m3)	39,219,000	39,137,000	36,708,000	n/a	n/a
Natural Gas - heavy vehicles (million Nm3)	32	38	45	n/a	n/a
Total Consump Otto + Diesel (m3)	67,639,000	68,823,000	69,076,000	n/a	n/a
Source: Datagro. 1/ Pure gasoline with no ethanol blended. 2/ Consumption estimated in gasoline equivalent. 3/Jan-Mai.					

Higher ethanol domestic demand for MY 2008/09 is a consequence of vigorous sales of flex fuel vehicles (FFV) and attractive ethanol prices vis-à-vis gasoline. As reported by the Brazilian Association of Vehicle Manufacturers (ANFAVEA), the size of the Brazilian fleet was estimated at 23.685 million units in 2007. The total fleet of pure hydrated ethanol and flex fuel powered cars was estimated at about 5.43 million units in 2007, representing 23 percent of the total. Note that sales of FFV already represent over 85 percent of total vehicle monthly sales.

Domestic Sales of Alcohol Powered Vehicles (pure alcohol & flex fuel units)						
1999	2003	2004	2005	2006	2007	2008 1/
10,947	84,558	379,329	897,308	1,425,177	2,032,361	1,004,108
Source: ANFAVEA 1/ January-May.						
Note: flex fuel vehicles were introduced in March 2003.						

Official figures for fuel consumption from the Petroleum, Natural Gas and Biofuels National Agency (ANP) follow. The figures take into account the product sales by distributors and do not include illegal sales, which eventually happen for hydrated ethanol due to tax differentiation between the different types of ethanol.

Brazilian Fuel Consumption Matrix (million liters)					
	2003	2004	2005	2006	2007
Diesel	36,853	39,219	39,052	38,854	41,559
Gasoline C**	21,791	23,165	23,542	23,979	24,326
Hydrated Ethanol	3,245	4,355	4,654	6,010	9,367
Souce: ANP					
**including 20-25 percent anhydrous ethanol					

The table below shows the average prices for gasoline and ethanol, as well as the price ratio from January-February (off-peak) and June-July (peak season) from 2005 through 2008, for selected Brazilian states and metropolitan cities. Note that the 2008 price ratio during the crushing season (June/July) is favorable to ethanol (below 70 percent), even in cities far distant from producing regions.

Gasoline and Ethanol Prices in Selected States (average price, R$/liter)													
		Gasoline				Ethanol				Ratio Ethanol/Gasoline			
		2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008
Sao Paulo	January	2.187	2.376	2.405	2.380	1.240	1.759	1.367	1.290	57%	74%	57%	54%
State	February	2.190	2.373	2.339	2.376	1.228	1.546	1.361	1.257	56%	65%	58%	53%
	June	2.147	2.415	2.419	--	0.990	1.305	1.314	--	46%	54%	54%	--
	June/July 1/	--	--	--	2.385	--	--	--	1.241	--	--	--	52%
Sao Paulo	January	2.185	2.371	2.403	2.376	1.242	1.496	1.363	1.291	57%	63%	57%	54%
City	February	2.190	2.370	2.397	2.372	1.231	1.545	1.356	1.264	56%	65%	57%	53%
	June	2.149	2.412	2.416	--	0.994	1.306	1.316	--	46%	54%	54%	--
	June/July 1/	--	--	--	2.383	--	--	--	1.244	--	--	--	52%
Minas Gerais	January	2.156	2.382	2.392	2.405	1.578	1.867	1.749	1.606	73%	78%	73%	67%
	February	2.148	2.398	2.360	2.389	1.571	1.924	1.744	1.577	73%	80%	74%	66%
	June	2.085	2.396	2.404	--	1.404	1.845	1.662	--	67%	77%	69%	--
	June/July 1/	--	--	--	2.356	--	--	--	1.546	--	--	--	66%
Belo Horizonte	January	2.115	2.336	2.345	2.369	1.550	1.853	1.733	1.589	73%	79%	74%	67%
(MG Capital)	February	2.107	2.352	2.315	2.346	1.548	1.915	1.730	1.554	73%	81%	75%	66%
	June	2.045	2.364	2.379	--	1.392	1.840	1.643	--	68%	78%	69%	--
	June/July 1/	--	--	--	2.314	--	--	--	1.520	--	--	--	66%
Rio Janeiro	January	2.268	2.511	2.488	2.505	1.598	1.850	1.728	1.624	70%	74%	69%	65%
State	February	2.264	2.517	2.488	2.501	1.586	1.887	1.754	1.614	70%	75%	70%	65%
	June	2.234	2.534	2.511	--	1.419	1.807	1.653	--	64%	71%	66%	--
	June/July 1/	--	--	--	2.492	--	--	--	1.613	--	--	--	65%
Rio de Janeiro	January	2.265	2.505	2.481	2.500	1.595	1.841	1.717	1.614	70%	73%	69%	64%
Capital	February	2.260	2.511	2.483	2.496	1.581	1.876	1.737	1.603	70%	75%	70%	64%
	June	2.231	2.526	2.507	--	1.412	1.795	1.640	--	63%	71%	65%	--
	June/July 1/	--	--	--	2.487	--	--	--	1.603	--	--	--	64%
Porto Alegre	January	2.442	2.596	2.600	2.463	1.702	2.222	1.848	1.792	70%	86%	71%	73%
(RS Capital)	February	2.411	2.630	2.463	2.326	1.654	2.228	1.829	1.693	69%	85%	74%	73%
	June	2.475	2.689	2.585	--	1.667	2.100	1.789	--	67%	78%	69%	--
	June/July 1/	--	--	--	2.586	--	--	--	1.785	--	--	--	69%
Goiania	January	2.371	2.516	2.329	2.539	1.551	1.660	1.425	1.569	65%	66%	61%	62%
(GO Capital)	February	2.289	2.480	2.499	2.502	1.474	1.777	1.487	1.508	64%	72%	60%	60%
	June	2.162	2.426	2.583	--	1.182	1.467	1.359	--	55%	60%	53%	--
	June/July 1/	--	--	--	2.320	--	--	--	1.323	--	--	--	57%
Fortaleza	January	2.344	2.560	2.625	2.667	1.656	1.756	1.661	1.829	71%	69%	63%	69%
(CE Capital)	February	2.214	2.656	2.620	2.655	1.641	1.812	1.680	1.814	74%	68%	64%	68%
	June	2.262	2.705	2.492	--	1.627	1.950	1.719	--	72%	72%	69%	--
	June/July 1/	--	--	--	2.522	--	--	--	1.742	--	--	--	69%
Source: Petroleum, Natural Gas and Biofuels National Agency (ANP). 1/ June/July 2008 refers to June 29 to July 04.													
Light Green Area means ethanol prices more attractive than gasoline													
Dark Green Area means gasoline prices more attractive than ethanol													

Trade

Exports

ATO/Sao Paulo forecasts total Brazilian ethanol exports for MY 2008/09 at 4.8 billion liters, up 1.17 billion liters relative to MY 2007/08 (3.63 billion liters). Over 3 billion liters should be exported to the United States, either directly or through the Caribbean Basin Initiative (CBI), as a consequence of the high prices of raw material (corn) for ethanol production in the U.S. Excessive rainfall in the state of Iowa, one of the major corn producers, has damaged expected production and pushed up the corn prices in the U.S., thus making the Brazilian fuel price competitive, even with the payment of the US$ 0.54/gallon import duty. The tables below show ethanol exports by type of product for calendar years 2006, 2007 and MY 2007/08.

Brazilian Alcohol Exports by Country of Destination (NCM 2207.10.00, MT, 000 liters, US$ 000 FOB)									
	CY 2006 1/			CY 2007 1/			MY 2007/08 2/		
Country	Volume	Weight	Value	Volume	Weight	Value	Volume	Weight	Value
Netherlands	332,219	264,087	146,864	790,777	626,684	335,792	1,077,619	854,806	454,928
U.S.A.	1,512,287	1,198,006	748,121	844,423	668,478	361,252	749,289	594,303	316,439
Jamaica	131,036	105,996	55,951	278,042	224,770	109,469	340,402	275,228	136,790
Japan	222,408	179,717	94,430	364,003	293,797	152,594	274,246	221,692	105,468
El Salvador	181,143	146,155	80,278	219,382	177,398	83,484	248,230	200,726	97,619
Costa Rica	91,265	73,784	34,763	170,320	137,698	69,908	156,025	126,123	61,094
Trinidad & Tobag	63,216	51,134	30,739	158,869	128,395	64,779	133,674	108,075	55,306
Virgin Island	0	0	0	52,141	42,159	20,780	126,475	102,247	55,023
Nigeria	42,680	34,487	19,465	122,879	99,325	49,410	93,469	75,538	35,495
South Korea	92,273	74,741	33,703	62,584	50,618	25,092	91,314	73,844	35,353
Others	429,739	343,537	192,871	381,787	305,045	166,615	290,755	232,178	123,569
Total	3,098,266	2,471,644	1,437,186	3,445,207	2,754,368	1,439,175	3,581,498	2,864,760	1,477,084
Source : Brazilian Secretariat of Foreign Trade (SECEX). 1/ Calendar Year : Jan-Dec, 2/ Marketing Year: May-April.									

Brazilian Alcohol Exports by Country of Destination (NCM 2207.20.10, MT, 000 liters, US$ 000									
	CY 2006 1/			CY 2007 1/			MY 2007/08 2/		
Country	Volume	Weight	Value	Volume	Weight	Value	Volume	Weight	Value
Jamaica	507	408	137	30,926	24,906	12,742	20,169	16,304	8,147
Netherlan	14,396	11,490	4,479	17,779	14,061	7,276	11,585	9,171	4,719
Nigeria	0	0	0	0	0	0	5,200	4,209	2,159
El Salvad	0	0	0	5,015	4,055	1,850	5,015	4,055	1,850
South Kor	0	0	0	4,109	3,325	2,060	3,979	3,219	1,993
Philippine	0	0	0	1,564	1,234	585	1,873	1,478	701
United Ki	0	0	0	523	413	217	523	413	217
Comoros	0	0	0	246	197	224	366	294	335
Finland	0	0	0	0	0	0	306	241	114
Singapore	0	0	0	282	223	106	282	223	106
Others	315,693	249,701	162,929	27,015	21,333	13,410	430	346	367
Total	330,596	261,600	167,544	87,460	69,748	38,471	49,728	39,954	20,707
Source : Brazilian Secretariat of Foreign Trade (SECEX) 1/ Calendar Year : Jan-Dec, 2/ Marketing Yea									

Stocks

Projected ending stocks for MY 2008/09 are negative 895 million liters. The apparent contradiction in the stock number reflects the fact that part of the next year's crop (MY 2009/10) will be crushed prior (March-April) to the official beginning of the MY (May). Indeed, approximately 1 billion liters should be produced in the beginning of the 2009/10 crop (March-April), thus resulting in effective ending stocks for MY 2008/09 at 105 million liters.

Exchange Rate

Exchange Rate (R$/US$1.00 - official rate, last day of period)						
Month	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
January	3.53	2.94	2.62	2.22	2.12	1.76
February	3.56	2.91	2.60	2.14	2.12	1.68
March	3.35	2.91	2.67	2.17	2.05	1.75
April	2.89	2.94	2.53	2.09	2.03	1.69
May	2.97	3.13	2.40	2.30	1.93	1.63
June	2.87	3.11	2.35	2.16	1.93	1.64
July1/	2.97	3.03	2.39	2.18	1.88	1.59
August	2.97	2.93	2.36	2.14	1.96	--
September	2.92	2.86	2.22	2.17	1.84	--
October	2.86	2.99	2.25	2.14	1.74	--
November	2.95	2.73	2.21	2.17	1.78	--
December	2.89	2.65	2.26	2.14	1.77	--
Source : Gazeta Mercantil and BACEN (as of October 2006)						
1/ July 2008 refers to July 14.						